

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

**Financial Report
For the Year Ended June 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 22 2012**

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Langley, Williams & Company, L.L.C.

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TEXAS STATE BOARD
OF PUBLIC ACCOUNTANCY
PUBLIC COMPANY
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CENTER FOR PUBLIC
COMPANY AUDIT FIRMS

INDEPENDENT AUDITORS' REPORT

Combined Anti-Drug Team Lake Charles, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Combined Anti-Drug Team as of June 30, 2011, and for the year then ended. These basic financial statements are the responsibility of the Combined Anti-Drug Team's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Combined Anti-Drug Team has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Combined Anti-Drug Team as of June 30, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2011, on our consideration of the Combined Anti-Drug Team's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Combined Anti-Drug Team
Lake Charles, Louisiana
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The required supplementary information on page 21 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

James E. Williams, Jr., CPA

December 1, 2011

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 176,500
Receivables	769
Capital assets, net of accumulated depreciation	<u>29,573</u>
 Total assets	 206,842
 LIABILITIES	
Accounts payable	<u>38,838</u>
 NET ASSETS	
Invested in capital assets	29,573
Unrestricted	<u>138,431</u>
 Total net assets	 <u><u>\$ 168,004</u></u>

The accompanying notes are an integral part of the basic financial statements.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenues and Changes in Net Assets</u>
<u>Governmental activities.</u>				<u>Governmental Activities</u>
Public safety	\$ 346,438	\$ -	\$ -	\$ (346,438)
Total Governmental Activities:	<u>\$ 346,438</u>	<u>\$ -</u>	<u>\$ -</u>	(346,438)
General revenues:				
Interest earnings				70
Forfeitures				147,248
Intergovernmental				106,060
Other				3,071
Total general revenues				<u>256,449</u>
Change in net assets				(89,989)
Net assets - July 1, 2010				<u>257,993</u>
Net assets - June 30, 2011				<u>\$ 168,004</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2011

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 176,500
Receivables	<u>769</u>
Total assets	<u><u>\$ 177,269</u></u>
LIABILITIES	
Accounts payable	\$ 38,838
FUND EQUITY	
Fund balance:	
Unassigned	<u>138,431</u>
Total liabilities and fund equity	<u><u>\$ 177,269</u></u>

The accompanying notes are an integral part of the basic financial statements.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS**

June 30, 2011

Total fund balance for the governmental fund at June 30, 2011	\$ 138,431
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Total net assets reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets, net of \$23,760 accumulated depreciation	<u>29,573</u>
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Total net assets of governmental activities at June 30, 2011	<u>\$ 168,004</u>
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The accompanying notes are an integral part of the basic financial statements.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**

For the Year Ended June 30, 2011

	<u>General Fund</u>
REVENUES	
Interest earnings	\$ 70
Forfeitures	147,248
Intergovernmental	106,060
Other	<u>3,071</u>
Total revenues	256,449
 EXPENDITURES	
Public safety:	
Personal services and related benefits	120,550
Operating services	189,892
Materials and supplies	29,447
Capital outlay	<u>8,168</u>
Total expenditures	<u>348,057</u>
 EXCESS OF EXPENDITURES OVER REVENUES	 (91,608)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>230,039</u>
 FUND BALANCE AT END OF YEAR	 <u><u>\$ 138,431</u></u>

The accompanying notes are an integral part of the basic financial statements.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND -
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2011

Total net changes in fund balance at June 30, 2011 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (91,608)
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**The change in net assets reported for governmental activities in the
Statement of Activities is different because:**

**Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.**

Capital outlay which is considered expenditure on the Statement of Revenues, Expenditures and Changes in Fund Balance	8,168
Depreciation expense for the year ended June 30, 2011	(6,549)
	<u>1,619</u>

Total changes in net assets at June 30, 2011 per Statement of Activities	<u>\$ (89,989)</u>
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The accompanying notes are an integral part of the basic financial statements.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

Notes to the Financial Statements

INTRODUCTION

The Combined Anti-Drug Team was formed by a mutual aid agreement entered into on November 22, 2004, by and between the Calcasieu Parish Sheriff's Office, City of Lake Charles, City of Westlake, City of DeQuincy, City of Vinton, City of Iowa, United States Marshal's Office Western District of Louisiana, and the Federal Bureau of Investigation. The agreement's purpose is to create a multi-agency law enforcement task force whose efforts are directed toward the investigation of narcotics and vice crimes

The accounting and reporting policies of the Combined Anti-Drug Team conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:513, as well as any applicable requirements set forth by *Audits of State and Local Governments Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; and the *Louisiana Governmental Audit Guide*.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

For financial reporting purposes, the Combined Anti-Drug Team includes all funds, account groups, activities, et cetera, that are controlled by the Combined Anti-Drug Team. The Combined Anti-Drug Team is solely responsible for the operations of its office, which includes authority over budgeting, responsibility for deficits, and receipt and disbursements of funds. Other than certain operating expenditures of the Combined Anti-Drug Team's office that are paid or provided by the members of the joint agreement, the Combined Anti-Drug Team is financially independent. Accordingly, the Combined Anti-Drug Team is a separate governmental reporting entity. Certain units of local government, over which the Combined Anti-Drug Team exercises no oversight responsibility, such as the parish police jury, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Combined Anti-Drug Team.

B. BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

Notes to the Financial Statements

B. BASIS OF PRESENTATION (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Forfeitures and other revenues are reported as general revenues.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Combined Anti-Drug Team's operations.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting.

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and forfeitures are recorded when the Combined Anti-Drug Team is entitled to the funds.

Interest income on deposits is recorded when interest is earned. Substantially all other revenues are recorded when received.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

Notes to the Financial Statements

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

The Combined Anti-Drug Team reports the following major governmental fund:

General Fund. The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Combined Anti-Drug Team reports all revenues as general revenues.

D. BUDGET PRACTICES

1. The proposed budget is prepared and submitted to the Advisory Board for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The proposed budget is made available for public inspection.
3. The budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board.

E. CASH AND INTEREST-BEARING DEPOSITS

Interest-bearing deposits are stated at cost, which approximates market.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost. The government maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office equipment, and furniture	5-12
Law enforcement equipment	5-10

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

Notes to the Financial Statements

G. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

H. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

In the fund financial statements, governmental fund equity is classified as fund balance. The Combined Anti-Drug Team adopted GASB Statement 54 in the year ended June 30, 2011. As such, fund balances of governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because constraints that externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the voting members. The voting members are the highest level of decision-making authority for the Combined Anti-Drug Team’s Office. Commitments may be established, modified, or rescinded only through resolutions approved by the voting members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under the Combined Anti-Drug Team’s adopted policy, only voting members may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

Notes to the Financial Statements

H. FUND EQUITY (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the Combined Anti-Drug Team considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Combined Anti-Drug Team considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Combined Anti-Drug Team has provided otherwise in its commitment or assignment actions.

I. FORFEITED ASSETS

The Combined Anti-Drug Team acquires various assets which are forfeited by defendants in accordance with judgments rendered by the courts in certain drug-related cases. It is the policy of the agency to sell all forfeited assets and record the proceeds as revenue at the time of the sale. At June 30, 2011, the Combined Anti-Drug Team has assets which have not been sold and are not reported in the accompanying general purpose financial statements.

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates

2. CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Combined Anti-Drug Team may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The Combined Anti-Drug Team may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2011, the Combined Anti-Drug Team has cash and cash equivalents (book balances) totaling \$176,500. Included in total cash and cash equivalents is \$20,000, which is held by the Task Force for use in drug investigations. The remaining \$156,500 is in an interest bearing account.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

Notes to the Financial Statements

2. CASH AND INTEREST-BEARING DEPOSITS (Continued)

At June 30, 2011, the Combined Anti-Drug Team has \$186,566 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$99,997 of pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Combined Anti-Drug Team that the fiscal agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

The receivables of \$769 at June 30, 2011, are miscellaneous amounts due from commissions and other forfeitures

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental activities:				
Office equipment and furniture	\$ 5,599	\$ -	\$ -	\$ 5,599
Law enforcement equipment	39,566	8,168	-	47,734
Total	45,165	8,168	-	53,333
Less accumulated depreciation	(17,211)	(6,549)	-	(23,760)
Net assets	<u>\$ 27,954</u>	<u>\$ 1,619</u>	<u>\$ -</u>	<u>\$ 29,573</u>

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

Notes to the Financial Statements

5. VACATION, SICK LEAVE, AND PENSION PLAN

The Combined Anti-Drug Team had no employees during the year ended June 30, 2011; therefore, it did not have a policy on vacation and sick leave, nor did it have a pension plan.

6. LITIGATION AND CLAIMS

The Combined Anti-Drug Team is, from time to time, involved in lawsuits arising in the ordinary course of its business that, in the opinion of management, will not have a material effect on the Combined Anti-Drug Team's results of operations.

7. EXPENDITURES OF THE COMBINED ANTI-DRUG TEAM'S OFFICE PAID BY THE MEMBERS OF THE JOINT AGREEMENT

The Combined Anti-Drug Team members are employees of the agencies participating in the mutual aid agreement. The payroll and equipment used is provided by those agencies. Accordingly, those expenses are not included in the accompanying basic financial statements.

8. FUND BALANCE

Included in the ending fund balance of \$230,039, is contributions of \$166,433 from the participating agencies to fund the start up of the Combined Anti-Drug Team, less approximately \$600 of administrative start up costs.

9. BOARD MEMBERS

For the year ended June 30, 2011, the following individuals served on the Executive and Advisory Boards and received no compensation for those services.

EXECUTIVE BOARD

Lake Charles Mayor, Randy Roach
DeQuincy Mayor, Lawrence Hennigan
Iowa Mayor, Carol Ponthieux
Vinton Mayor, Kenny Stinson
Westlake Mayor, Dan Cupit
Federal Bureau of Investigation, Exel Garcia

ADVISORY BOARD

Calcasieu Parish Sheriff, Tony Mancuso – Voting member
Lake Charles City Police Chief, Donald D. Dixon – Voting member
DeQuincy Chief of Police, Mike Suchanek
Iowa Chief of Police, Keith Vincent
Vinton Chief of Police, Ricky Fox
Westlake Chief of Police, Mike Dickerson

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

Notes to the Financial Statements

10. SUBSEQUENT EVENTS

The Combined Anti-Drug Team evaluated its June 30, 2011 financial statements for subsequent events through December 1, 2011, the date the financial statements were available to be issued. The Combined Anti-Drug Team is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended June 30, 2011

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 100	\$ 67	\$ 70	\$ 3
Forfeitures	60,000	143,426	147,248	3,822
Intergovernmental Grants	45,000	105,397	106,060	663
Other	100	1,122	3,071	1,949
Total revenues	<u>105,200</u>	<u>250,012</u>	<u>256,449</u>	<u>6,437</u>
EXPENDITURES				
Public safety:				
Personal services and related benefits	244,750	119,508	120,550	(1,042)
Operating services	56,835	179,137	189,892	(10,755)
Materials and supplies	16,000	28,896	29,447	(551)
Other charges	-	-	-	-
Capital outlay	-	-	8,168	(8,168)
Total expenditures	<u>317,585</u>	<u>327,541</u>	<u>348,057</u>	<u>(20,516)</u>
EXCESS OF EXPENDITURES OVER REVENUES	(212,385)	(77,529)	(91,608)	(14,079)
FUND BALANCE AT BEGINNING OF YEAR	<u>230,039</u>	<u>230,039</u>	<u>230,039</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 17,654</u></u>	<u><u>\$ 152,510</u></u>	<u><u>\$ 138,431</u></u>	<u><u>\$ (14,079)</u></u>

The accompanying notes are an integral part of the basic financial statements.

**INTERNAL CONTROL
AND
COMPLIANCE**



Langley, Williams & Company, L.L.C.

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DANNY L. WILLIAMS
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**Combined Anti-Drug Team
Lake Charles, Louisiana**

We have audited the basic financial statements of the Combined Anti-Drug Team as of and for the year ended June 30, 2011, and have issued our report thereon dated December 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Combined Anti-Drug Team's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Combined Anti-Drug Team's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Combined Anti-Drug Team's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

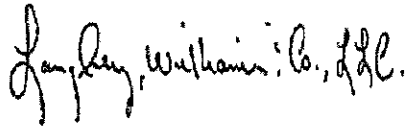
As part of obtaining reasonable assurance about whether the Combined Anti-Drug Team's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material Combined Anti-Drug Team effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2011 (C1).

No separate management letter was issued for this engagement.

Combined Anti-Drug Team's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Combined Anti-Drug Team's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Combined Anti-Drug Team, the Sheriff's management, the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Gregory Williams, C. A. C.", is written in a cursive style.

Lake Charles, Louisiana
December 1, 2011

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

CURRENT AND PRIOR YEAR AUDIT FINDINGS
AND RESPONSES

For the Year Ended June 30, 2011 and 2010

SECTION 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified not considered
to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance required to be reported under
Government Audit Standards?

☒ Yes ☐ No

COMBINED ANTI-DRUG TEAM
Lake Charles, Louisiana

**Summary Schedule of Current and Prior Year Audit
Findings and Responses**

For the Year Ended June 30, 2011 and 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

Ref No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Responses	Name of Contact Person	Anticipated Completion Date
<u>Current year (06/30/11)</u>						
Internal Control		There were no findings with regards to internal control over financial reporting.				
Compliance (C1-11)	2011	The budget was not amended sufficiently to account for a 5% variance between budgeted numbers and actual numbers.	Yes	The budget amending process was done correctly, but an asset was purchased the last week of the year that caused the actual expenditures to exceed budgeted. In the future, we will be more diligent in our timing of purchases	Sharon Cuitera	Done
<u>Prior year (06/30/10)</u>						
Internal Control		There were no findings with regards to internal control over financial reporting.				
Compliance		There were no findings with regards to compliance				

SECTION III - MANAGEMENT LETTER

No separate management letter was issued